

**INDIANA DEPARTMENT OF REVENUE  
DEPARTMENTAL NOTICE #3  
NOVEMBER, 2005**

**INTEREST RATES FOR CALENDAR YEAR 2006**

This document does not meet the definition of a "statement" required to be published in the *Indiana Register* under IC 4-22-7-7. However, under IC 6-8.1-10-1(c), the Commissioner is required to establish, on or before November 1 of each year, the applicable interest rates for tax overpayments and underpayments that will take effect for the immediately succeeding calendar year. The purpose of this notice is to inform the public of the interest rates that will be effective for the calendar year beginning January 1, 2006.

The rate of the interest for an excess tax payment is the percentage rounded to the nearest whole number that equals the average investment yield on state money for the state's previous fiscal year, excluding pension fund investments, as published in the Auditor of State's comprehensive annual financial report. Based on this calculation, the rate of interest for an excess tax payment for calendar year 2006 will be two percent (2%).

The rate of interest for an underpayment of tax is the percentage rounded to the nearest whole number that equals two (2) percentage points above the average investment yield on state money for the state's previous fiscal year, excluding pension fund investments, as published in the Auditor of State's comprehensive annual financial report. Based on this calculation, the rate of interest for an underpayment of tax for calendar year 2006 will be four percent (4%).

For taxpayer information, attached is a list of comparable percentages applicable in previous calendar years.

Indiana Department of Revenue

A handwritten signature in cursive script that reads "John Eckart". The signature is written in black ink and is positioned above a solid horizontal line.

John Eckart,  
Commissioner

**Attachment**

<b><u>YEAR</u></b>	<b><u>OVERPAYMENTS</u></b>	<b><u>DELINQUENT PAYMENTS</u></b>
1989	10%	10%
1990	10%	10%
1991	10%	10%
1992	8%	8%
1993	7%	7%
1994	7%	7%
1995	4%	6%
1996	5%	7%
1997	5%	7%
1998	5%	7%
1999	5%	7%
2000	5%	7%
2001	6%	8%
2002	6%	8%
2003	4%	6%
2004	2%	4%
2005	1%	3%